



Hon. Robert T. Matsui

Member of Congress

www.house.gov/matsui/

Robert T. Matsui
Serving California's 5th District

FOR IMMEDIATE RELEASE
Tuesday, March 26, 2002

CONTACT: CODY HARRIS
(202) 225-7163/(202) 225-0564

TRUSTEES' REPORT SHOWS SOCIAL SECURITY FINANCIAL HEALTH IMPROVING

WASHINGTON, DC—Today, the Social Security Trustees released their annual report on the finances of the Social Security program. The report shows that Social Security can pay full benefits until 2041. Based on updated economic and demographic projections, this date was extended from 2038. According to the report, the recession had virtually no impact on the health of Social Security.

"I look forward to the Trustees' report every year, and this year's news is especially welcome. It clearly shows that Social Security is not facing the crisis that opponents claim," said Matsui. "Social Security is a strong program, and it plays a vital role in our society. There is a challenge ahead, and we need to state it clearly. Four decades from now, Social Security will be able to pay three-quarters of promised benefits. That is a challenge we must address. But those who claim that the system is collapsing are misleading the public. They are promoting privatization plans that would actually create a crisis by draining trillions from the trust fund."

The report shows that after 2041, Social Security will still be able to pay 73% of promised benefits. The President and Congressional Republicans advocate carving private accounts out of Social Security. Such proposals would drain trillions from the Social Security trust fund, threatening current and future retirement, disability, and survivors' benefits. By diverting money out of the trust fund, privatization will hasten the date when Social Security will no longer be able to pay full benefits by more than a decade.

"Based on the numbers in today's report it is clear that radical privatization proposals are unnecessary and dangerous. They would only lead to benefit cuts and make the financial problem worse," said Matsui.

###